



Wealth of Major Projects for Alberta's OILSANDS

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Significant projects slated for oilsands

Industry analysts are calling for remarkable growth in Alberta's oilsands development as the regression in conventional oil and gas projects continues. Production from the oilsands will exceed one million barrels per day in 2005 and is forecast to increase to 2.5 million barrels by 2015.

Capital spending in Alberta's oilsands reached \$4.8 billion in 2004, and in 2005 it is expected to reach \$11 billion. Alberta Energy officials predict capital spending between 2004 and 2023 to reach \$30.5 billion.

Currently, there are 35 projects in the planning or expansion stages in the oilsands. A collection of oil company consortia and corporate investors are planning to invest billions in the oilsands over the next 20 years. Shell Canada Ltd., one of Canada's largest integrated oil companies, has announced plans to spend \$17 billion over the next 5 years on expanding its Canadian heavy oil and gas holdings. The majority of this budget will be pumped into their mammoth Athabasca oilsands project.

Imperial Oil Ltd, Canada's largest petroleum company, has partnered with ExxonMobil Canada for the Kearl oilsands project. \$6.5 billion will be spent on this venture. Syncrude Canada Ltd., Suncor Energy Inc., and Shell Canada Ltd., are among the several other major players on the Kearl oilsands project.

Husky Oil has this month been approved to start development of their \$10 Billion Sunrise Oilsands Project. This field is estimated to contain 10.6 billion barrels of bitumen and 3.2 billion barrels of oil is recoverable over the estimated project life of 40 years.

The U.S. is by far Canada's largest customer when it comes to export of crude oil and refined products. Over the next 20 years, U.S. demand is forecast to rise significantly, requiring increased oil imports. Currently the oilsands are producing 997,000 barrels per day (bpd) and with the existing level of investment the flow should reach 1.9 million bpd by 2010.

Opportunity for U.S. Manufacturers

Opportunities abound in Canada's oilsands sector. With major projects through 2012 valued at US \$49 billion, U.S. companies should approach project managers and engineers during the early stages of specification. U.S. companies supply 87% of the import market for oil and gas equipment and services. Most is large machinery and equipment purchases by major oil and gas producers.

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(drafted A. Willness W. Balla)

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